## **EX PARTE**

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July 22, 1998

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JUL 22 1998 EDERAL COMMUNICATIONS COMMISSION

Ms. Magalie Roman Salas Secretary Federal Communications Commission 1919 M Street, N.W. Washington, D.C. 20554



Ex Parte in CC Docket No. 96-115

Dear Ms. Salas:

In reference to the above-captioned proceeding, please find attached correspondence from Senator Christopher S. Bond and Senator John F. Kerry to the Federal Communications Commission.

Please do not hesitate to contact the undersigned or Michael Finn at (202) 328-8000 should you need further information.

Sincerely,

David R. Goodfriend

CC:

Kathryn Brown James D. Schlichting Jane E. Jackson William A. Kehoe, III Blaise A. Scinto

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COMMITTEE ON SMALL BUSINESS
WASHINGTON, DC 20510-6350
July 17, 1998

Honorable William Kennard Chairman Federal Communications Commission 1919 M. Street, N.W. Washington, D.C. 20554

Dear Mr. Chairman:

We are writing to express our interest in the outcome of the Commission's rulemaking in CC Document 96-115, regarding implementation of Section 222(e) of the Communications Act. This provision is intended to protect and promote competition in the publication of telephone directories. Beyond our continuing concern that the Commission conduct a thorough and substantive final regulatory flexibility analysis, we are interested in this rulemaking because even though this market is dominated by the directory subsidiaries of telephone companies, independent directory publishers have successfully developed competitive products in many areas and need to be able to preserve and expand that success. We would emphasize that well over 80% of these independent directory publishers are small businesses, with annual revenues of less than \$5 million.

At the same time they must compete against the market power of the telephone companies and their wholly-owned directories, independent publishers depend on those same telephone companies and other local exchange carriers for the subscriber listings that they must obtain to stay in business. As the legislative history of Section 222(e) makes clear, over the past decade or more, there have been problems with pricing of and access to subscriber list information. Section 222(e) was intended to remedy these problems.

We therefore strongly urge that in considering a final rule in this proceeding, the Commission recognize and give great weight to the stated Congressional intention that the small businesses the statute was meant to protect are in fact protected from market power abuses. In this regard, it is vital that the Commission define what will constitute a "reasonable" price for subscriber list information under the statute, recognizing the minimal cost of providing these listings to the requesting independent directory publishers.

We appreciate the Commission's work on this important matter and look forward to hearing from you.

Johns F. Kerry Ranking Member Sincerely,

hristopher S. Bond

Chairman